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Opening statement

by

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United Nations Under-Secretary-General

Executive Secretary

of the United Nations Economic Commission for Europe

at the

6th UNECE International PPP Forum

Barcelona, 4 May 2022

Distinguished participants,

Colleagues,

Ladies and gentlemen,

It is my great pleasure and honour to welcome you all to the sixth edition of the UNECE International PPP Forum. I am grateful to our partners in Barcelona – the Barcelona City Council and the *Instituto de Estudios Superiores de la Empresa* (IESE) Business School – for hosting this year's Forum. I am also grateful to the Government of Spain for their support.

I am pleased to see so many PPP experts from all over the world join us in person and online. The Forum has become an annual event to exchange ideas and address some of the current and emerging challenges and opportunities in sustainable PPPs and infrastructure finance to accelerate the implementation of the 2030 Agenda.

Infrastructure is crucial to social and economic development for our people. Green, resilient, circular and high-quality infrastructure, where people are the main beneficiaries, is also key to rebuilding cities and communities ravaged by natural disasters and armed conflicts.

This year's Forum is taking place while a war is raging in Ukraine and its devastating effects are being felt in the region and beyond. The loss of life, the destruction, the suffering must end, and the healing must start. Now.

Peace must be restored. There cannot be sustainable development without peace, and peace will not be assured without sustainable development. I sincerely hope that diplomatic negotiations will very soon put an end to this conflict.

We are in the third year of the Covid-19 pandemic, which has negatively affected PPPs and infrastructure projects globally at all stages of development and in all sectors. This impact was felt at all levels: public authorities, the providers of infrastructure and public services; debt providers and investors; and the end-users.

A fall in foreign direct investment and tighter financial conditions are delaying infrastructure projects worldwide, and transition economies and emerging markets - where infrastructure investment is needed most - are bearing the brunt of the impact. International project finance, for example, is over 40 percent lower

than pre-pandemic figures, with the decline disproportionately impacting low and middle-income countries. Furthermore, the recently published data in the UNECE 2022 SDG progress report show a continuing reverse trend in achieving Goal 9 on infrastructure development in the UNECE region.

I am however optimistic that the PPP programme can, with your help, make a meaningful contribution to the 2030 Agenda. Since its adoption in 2015, UNECE has been at the forefront to ensure that the PPP model is ‘fit-for-purpose’ for the SDGs, with people as the main beneficiaries. With your support, the UNECE has developed guiding principles, standards and an evaluation methodology to help countries measure their PPP and infrastructure projects against the three pillars of sustainability: economic, social and environmental.

The same foresight that served us so well in 2015 is required today to propel the UNECE PPP programme to the next level: by mainstreaming sustainable finance into the PPP work to address the ever-increasing infrastructure investment gap and recover better from the pandemic. I would like to see more work on blended finance: It can work as a tool to de-risk investments and attract private capital into projects for harder-to-finance PPPs and infrastructure in transition economies and emerging markets. Impact investing is another tool that can generate social, environmental and cultural impacts.

Governments need to recognise how blended finance could be mobilised, how impact investing could be leveraged, and how major international banks are more and more choosing to invest in projects with the highest ESG credentials. It is therefore important for governments to also ensure that their projects are designed to benefit from these financing mechanisms. As a start, they should demonstrate to the financial markets that from the SDG perspective, their projects score high in terms of ESG. Using the UNECE evaluation methodology, which is an ESG tool, would be a good start.

I am very happy to see that the Forum will address a number of priority areas identified by our member States, including circular economy, digital and green transformations for sustainable development, and green PPP procurement. These areas, together with sustainable PPPs and infrastructure finance, should guide your work in the coming months and years in support of the SDGs.

I wish you a successful Forum and look forward to the outcome of your deliberations.
